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NSC BRIEFING

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14 September 1960

IRAN 24/3/0

- I. Premier Eqbal's resignation (28 August) has cleared way for attempt to improve relations with USSR. The Iranian press is widely proclaiming that the Soviet-Iranian cold war is ending and alluding to the possibility of Soviet economic aid.
  - A. Radio Moscow halted its propaganda attacks on the Shah on 31

    August (although some clandestine radio attacks continue) and

    Iranians have halted their counter-propaganda.
  - B. New Premier Sharif-Emami stated to Ambassador Wailes that his objective is to improve relations with USSR without imperiling Iran's relations with West.
  - C. Foreign Minister Azodi will probably seek talks with Khrushchev during UN session, according to Iranian Deputy Prime Minister Forughi. Forughi is worried over Azodi's ability to deal with Khrushchev.
  - D. Soviet Ambassador Pegov's return to Iran indicates Moscow believes it possible that Iran will make concessions. Pegov will probably offer attractive economic aid.
  - E. Shah is in a mood similar to that of January 1959 when, disappointed by what he regarded as lack of support from allies, he entered into negotiations with USSR for non-aggression treaty. Emami and cabinet probably are too weak to stand up to Soviet pressures in the same manner as former Premier Eqbal. SEEM WEAK MAY WILL PROBABLY NOT STIFFEN THE SHAH'S POSTURE TOWARDS SOVIETS IN WAY THAT EQBAL DIO

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- II. Shah's attempt to extricate himself from blame for election fiasco apparently has failed and opposition elements are taking full advantage of the Shah's difficulties.
  - A. No date yet set for new elections.
  - B. Public believes interim government is as subservient to Shah as previous one.
  - C. The Shah's actions probably will not increase significantly the longer run chances for the regime's survival.